



Houston Information Technology Services (HITS)

**FY2015 Budget Presentation
June 5, 2014**

**Mayor Annise Parker
Charles T. Thompson, CIO**

Vision



To be a service delivery organization recognized for customer satisfaction, innovation and cost avoidance.

Mission

Providing innovative service delivery supporting our customer's customers.



"Providing Innovative Service Delivery Supporting Our Customer's Customers"

FY14 Department Initiatives – Status



- » Three year IT Roadmap – Project Management Office
- » 700 MHz Public Safety Radio & **Joint Maintenance Facility** ** – Public Safety
- » Privacy, Archival, Governance, Encryption and Security (PAGES) – Infrastructure
- » Security Vulnerability Management Framework – Information Security
- » CSMART Implementation – Applications/Municipal Courts Department
- » SAP First - Employee Self Service (ESS) * – Applications
- » Data Center Consolidations * – Infrastructure
- » Network & Telephony Upgrades * – Infrastructure
- » HealthTrak (Phase I) – Applications\Health & Human Services Department
- » IT Governance Structure & IT Continuous Planning – Project Management Office



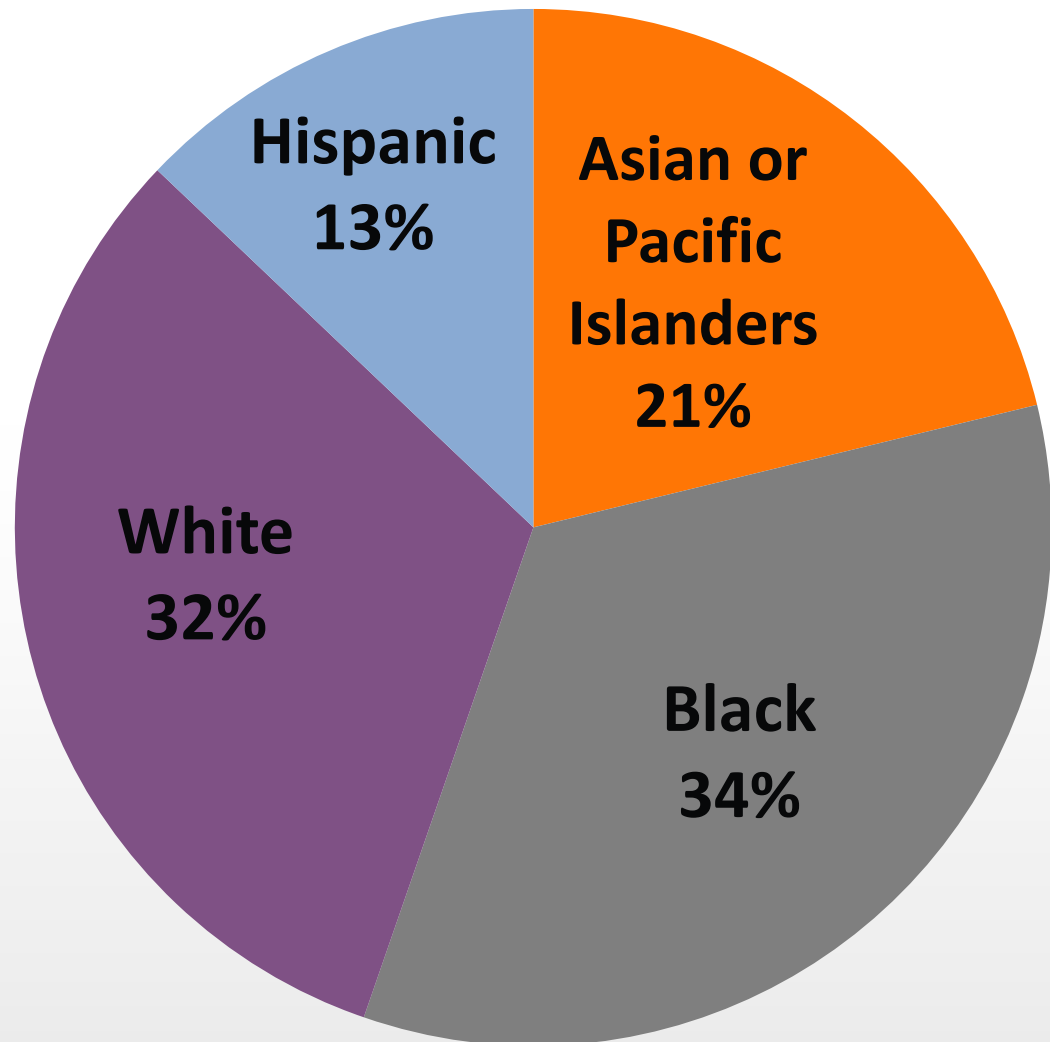
FY14 HITS Demographics



Employees: 216

Female: 66%

Male: 34%



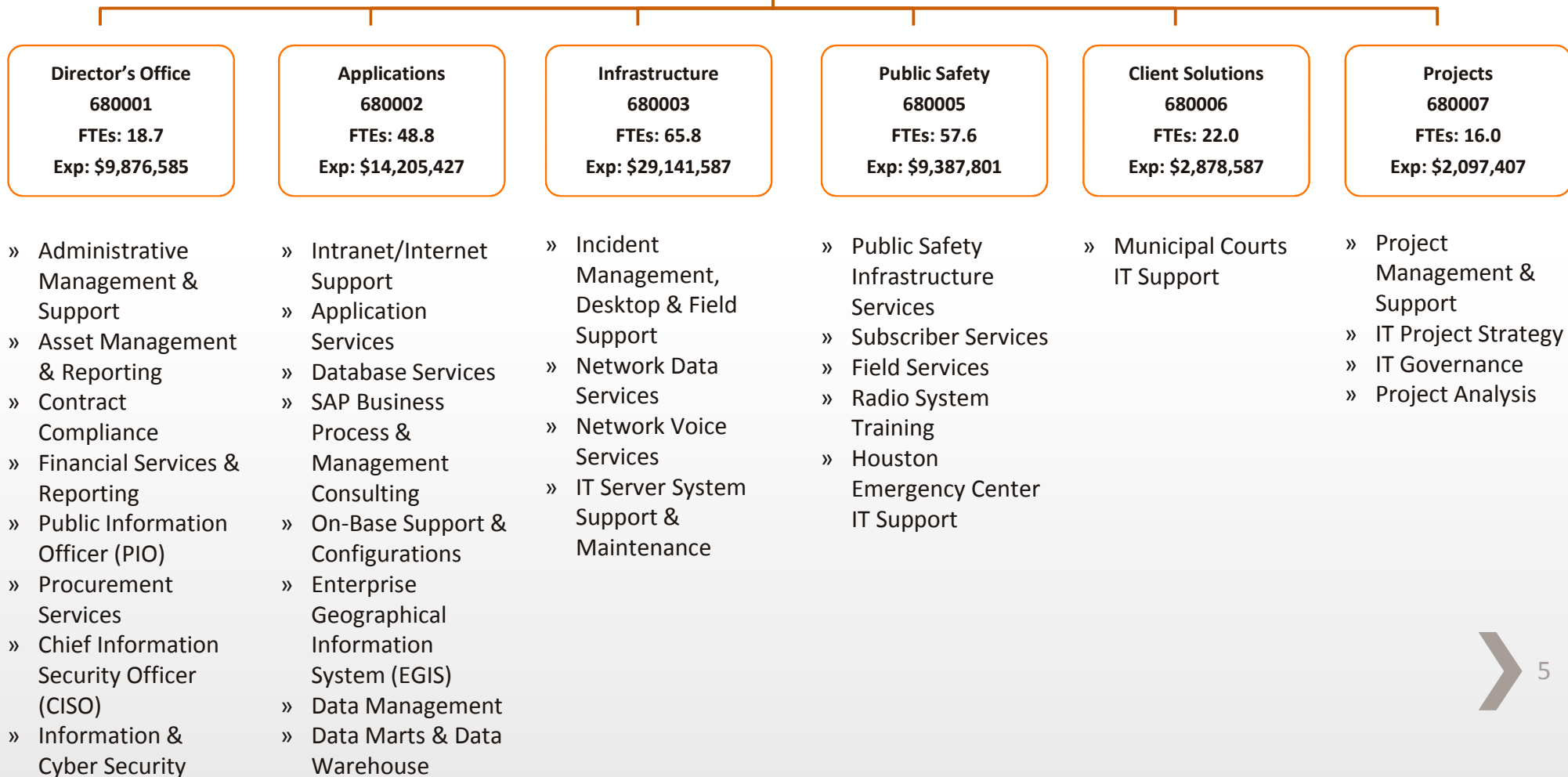
Data as of May 30, 2014

HITS FY15

Funds: 1000, 1001 & 1002



HITS
FTEs: 228.9
Exp: \$67,587,394



"Providing Innovative Service Delivery Supporting Our Customer's Customers"

FY15 Budget Highlights



- » Personnel cost increase includes funding for increases in pension contribution and municipal employees 3% pay increase
- » CSMART employees move from Central Services Fund (1002) to General Fund (1000)
- » Additional support costs for Procurement, Accounts Payables and Budget Analysis (1002)
- » Additional FTEs, operational and maintenance support via consolidation (CSMART, EGIS and Kronos support) (1000 & 1002)
- » 700MHz Radio Project and CSMART become operational during fiscal year; with operation and maintenance costs moving from Project Recovery Fund (1001) to Funds 1000 and 1002 for FY2015; creating a decrease in revenue for Fund 1001
- » Radio Systems revenue increased due to additional regional radio subscribers
- » Microsoft Enterprise Agreement contractual increase



Budget Summary – All Funds



Fund	Revenue FY14 Budget	Revenue FY15 Proposed	+/- \$	%	Exp. FY14 Budget	Expenditure FY15 Proposed	+/- \$	%	FTEs FY14 Budget	FTEs FY15 Prop.
1000 General Fund	\$ 311,040	\$ 425,480	\$114,440	36.79%	\$ 21,650,402	\$24,040,382	\$2,389,980	11.04%	155.2	173.2
1001 Project Recovery Fund	\$ 1,312,642	\$ -	(\$1,312,642)	-100%	\$ 1,312,642	\$ -	(\$1,312,642)	-100%	6.6	0.0
1002 Central Services Fund	\$ 38,980,930	\$ 43,547,012	\$4,566,082	11.71%	\$ 38,980,930	\$43,547,012	\$4,566,082	11.71%	50.6	55.7
Total	\$ 40,604,612	\$ 43,972,492	\$3,367,880	8.29%	\$ 61,943,974	\$67,587,394	\$5,642,420	9.11%	212.4	228.9



FY15 Department Initiatives



- » Data Center Consolidations – Infrastructure
- » Mobile Houstontx.gov – Applications
- » CyberSecurity & Information Security Management – Security
- » HealthTrak (Phase II) – Applications/Health & Human Services
- » TALENT & Performance Management (formerly LMS & HEAR) – Applications
- » CSMART – Applications/Municipal Courts
- » SAP FIRST - Manager Self Service (MSS) Implementation – Applications
- » Network & Telephony Upgrades – Infrastructure

FY15 Department Initiatives (continued)



- » ETHAN – Infrastructure & Applications – HFD, EMS & Health & Human Services
- » Identity & Access Management - Infrastructure
- » SAP Strategy Management Implementation – Applications/Finance
- » INFOR Software Implementation (Phase I) – Applications
- » e-Agenda – Applications
- » Mobile Device Management (MDM)

Additional Slides (Appendix)



- » Contents include:
 - » Relevant operating information, such as:
 - Core Services Matrix
 - Granular Details FY14 vs. FY15 Budget Comparisons by Fund
 - Short & Long Term Goals
 - Key Performance Indicators



Questions?

Core Services Matrix – Fund 1000



Activities, Programs, Services	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost	Annual Projected FTEs	Mark with (X) if applicable				Impact if cut or reduced
					Mandated	Direct Service	Administrative	General Fund	
Director's Office (680001)	\$ 1,619,143	\$ 2,519,106	\$ 4,138,249	15.7			X	X	Reduction/Elimination of these services could result in increased cost due to project prioritization based on factors other than return on investment, project delays and increased cost due to lax fund administration and delays in processing. The thought and knowledge capital dedicated to business process improvement would also be lost if these services were reduced/eliminated.
Applications (680002)	\$ 3,864,306	\$ 933,736	\$ 4,798,042	28.8	X		X	X	Reduction/Elimination of these services could adversely affect management, support and development of both enterprise and departmental application.
Infrastructure (680003)	\$ 6,408,893	\$ 181,600	\$ 6,590,493	61.8			X	X	Reduction/Elimination of these services could adversely effect helpdesk and desktop support for 18 departments due to the inability to effectively track and report incidents, data (internet) services, voice (phone) services, support for data centers, production server services, storage services, messaging services, and monitoring & tools services.
Public Safety (680005)	\$ 3,014,497	\$ 2,012,634	\$ 5,027,131	33.9	X		X	X	Reduction/Elimination of the budget would impact direct system maintenance/support, preventative maintenance and network operations of the 700 MHz radio system.
Client Solutions (680006)	\$ 2,101,513	\$ 6,500	\$ 2,108,013	21.0	X		X	X	Reduction/Elimination of the budget could result in disbandment of a group dedicated to implementing a court case management system for Municipal Court, that could potentially result in lack of revenues due to inadequate records management and increased state audits.
Projects (680007)	\$ 1,348,154	\$ 30,300	\$ 1,378,454	12.0	X		X	X	Reduction/Elimination of the budget would put the City at risk at failure to deliver on EO 144. Preparation of citywide overview of projects for efficiency gains would also be effected.
TOTAL FOR HITS (6800)	\$ 18,356,506	\$ 5,683,876	\$ 24,040,382	173.2					

Core Services Matrix – Fund 1002



Activities, Programs, Services				Annual Projected FTEs	Mark with (X) if applicable				Impact if cut or reduced
	Annual Projected Personnel Cost	Annual Projected Supplies & Services Cost	Total Annual Cost		Mandated	Direct Service	Administrative	Chargeback Fund	
Director's Office (680001)	\$ 493,443	\$ 5,244,893	\$ 5,738,336	3.0	X		X	X	Reduction/Elimination of these services could result in increased cost due to project prioritization based on factors other than return on investment, project delays and increased cost due to lax fund administration and delays in processing. The thought and knowledge capital dedicated to business process improvement would also be lost if these services were reduced/eliminated. Reduction/Elimination of these services could adversely effect the thought and knowledge capital dedicated to implementing an information security framework to practice citywide.
Applications (680002)	\$ 2,466,442	\$ 6,940,943	\$ 9,407,385	20.0			X	X	Reduction/Elimination of these services could adversely affect management, support and development of both enterprise and departmental application. Reduction/Elimination of the budget would result in increased downtime to HFD's and 3-1-1's service requests, which would eventually impact the services that they provide to citizens.
Infrastructure (680003)	\$ 389,590	\$ 22,161,504	\$ 22,551,094	4.0			X	X	Reduction/Elimination of these services could adversely effect helpdesk and desktop support for 18 departments due to the inability to effectively track and report incidents, data (internet) services, voice (phone) services, support for data centers, production server services, storage services, messaging services, and monitoring & tools services.
Public Safety (680005)	\$ 2,778,499	\$ 1,582,171	\$ 4,360,670	23.7	X		X	X	HEC provides services to first responders. Reduction/Elimination of the budget could severally degrade the ability of HFD & HPD first responders, EMS' ability to route patients to ERs, hosts and tenants ability to operate within HEC and it could impact OEM's ability to activate/manage the EOC.
Client Solutions (680006)	\$ 91,974	\$ 678,600	\$ 770,574	1.0	X		X	X	Reduction/Elimination of the budget could result in disbandment of a group dedicated to implementing a court case management system for Municipal Court, that could potentially result in lack of revenues due to inadequate records management and increased state audits. Reduction/Elimination of the budget would result in increased downtime to BARC's service requests, which would eventually impact the services that they provide to citizens.
Projects (680007)	\$ 674,603	\$ 44,350	\$ 718,953	4.0	X		X	X	Reduction/Elimination of the budget would put the City at risk at failure to deliver on EO 144. Preparation of citywide overview of projects for efficiency gains would also be effected.
TOTAL FOR HITS (6800)	\$ 6,894,551	\$ 36,652,461	\$ 43,547,012	55.7					

Houston Information Technology Services

General Fund (1000)



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FTEs: 173.2

Exp: \$24,040,382

Director's Office
680001

FTEs: 15.7

Exp: \$4,138,249

Applications
680002

FTEs: 28.8

Exp: \$4,798,042

Infrastructure
680003

FTEs: 61.8

Exp: \$6,590,493

Public Safety
680005

FTEs: 33.9

Exp: \$5,027,131

Client Solutions
680006

FTEs: 21.0

Exp: \$2,108,013

Projects
680007

FTEs: 12.0

Exp: \$1,378,454

- » Administrative Management & Support
- » Asset Management & Reporting
- » Contract Compliance
- » Public Information Officer (PIO)

- » Intranet/Internet Support
- » Application Services
- » Database Services
- » SAP Business Process & Management Consulting
- » On-Base Support & Configurations
- » Enterprise Geographical Information System (EGIS)

- » Incident Management & Field Support
- » Network Data Services
- » Network Voice Services
- » IT Server System Support & Maintenance

- » Public Safety Infrastructure Services
- » Subscriber Services
- » Field Services

- » Municipal Courts IT Support

- » Project Management & Support
- » Project Analysis

Houston Information Technology Services

Service Chargeback (1002)



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FTEs 55.7

Exp: \$43,547,012

Director's Office

680001

FTEs: 3.0

Exp: \$5,738,336

- » Administrative Management & Support
- » Financial Services & Reporting
- » Procurement
- » Chief Information Security Officer (CISO)

Applications

680002

FTEs: 20.0

Exp: \$9,407,385

- » Intranet/Internet Support
- » Application Services
- » Database Services
- » SAP Business Process & Management Consulting
- » On-Base Support & Configurations
- » Enterprise Geographical Information System (EGIS)
- » Data Warehouse

Infrastructure

680003

FTEs: 4.0

Exp: \$22,551,094

- » Incident Management & Field Support
- » Network Data Services
- » Network Voice Services
- » IT Server System Support & Maintenance

Public Safety

680005

FTEs: 23.7

Exp: \$4,360,670

- » Houston Emergency Center IT Support

Client Solutions

680006

FTEs: 1.0

Exp: \$770,574

- » Municipal Courts IT Support
- » BARC Application Support

Projects

680007

FTEs: 4.0

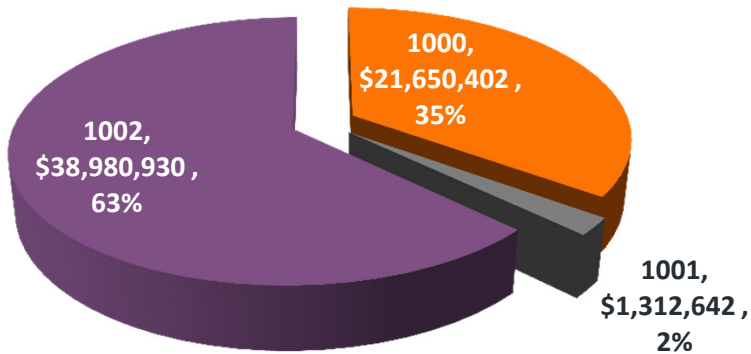
Exp: \$718,953

- » Project Management & Support
- » IT Project Strategy & Governance
- » Project Analysis

FY2014 vs. FY2015 – All Funds

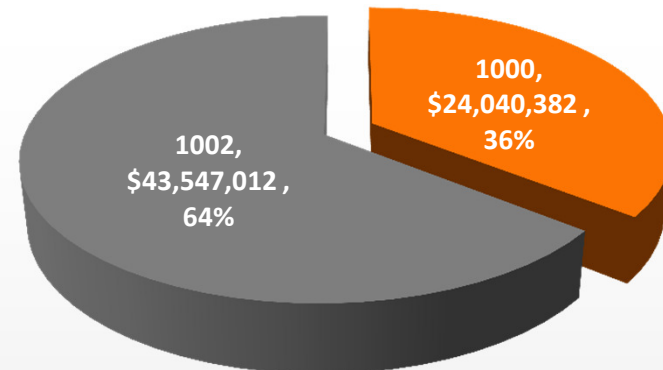


FY2014 Budget



\$61,943,974
212.4 FTEs

FY2015 Proposed

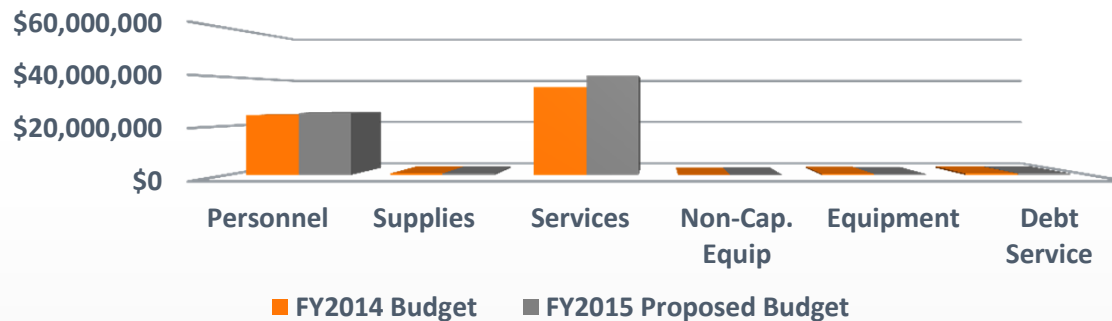


\$67,587,394
228.9 FTEs

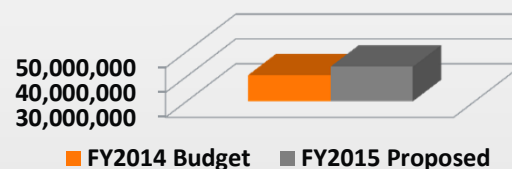
FY2014 vs. FY2015 – All Funds



Description	FY2014 Budget	FY2015 Proposed Budget	Variance \$	Variance %
Personnel	\$ 24,420,072	\$ 25,353,228	\$ 933,156	3.82%
Supplies	\$ 617,588	\$ 578,336	\$ (39,252)	-6.36%
Services	\$ 35,855,969	\$ 40,572,374	\$ 4,716,405	13.15%
Non-Capital Equipment	\$ 10,000	\$ 60,000	\$ 50,000	500.00%
Equipment	\$ 440,345	\$ 369,720	\$ (70,625)	-16.04%
Debt Service	\$ 600,000	\$ 653,736	\$ 53,736	8.96%
Total	\$ 61,943,974	\$ 67,587,394	\$ 5,643,420	9.11%



Description	FY2014 Budget	FY2015 Proposed Budget	Variance \$	Variance %
Revenues (Chargebacks)	\$ 40,604,612	\$ 43,972,492	\$ 3,367,880	8.29%



Short Term Goals



- » Implement Information Security framework, CyberSecurity policy and practice citywide with Chief Information Security Officer;
- » Implement IT Project Management Methodology citywide via the IT Project Management 'Playbook' in supporting the delivery of the approved IT roadmap;
- » Implement cost effective measures for telecommunication services and telecommunication expense management best practices;
- » Improve IT services by streamlining processes, consolidating resources, adopting new technology and aggregating services, such as; service desk, network, telephony, servers, data centers and call centers;
- » Finalize the implementation of the HPD Records Management System (RMS) and MCD Court System for Management of Resources and Technology (CSMART);
- » Implement SAP First Program initiative Manager Self-Service;
- » Implement and optimize the use of (2) Data Centers in support of the city's Green Initiatives; and
- » Effectively manage the 700 MHz Radio System and essential Public Safety IT Communication Platforms.

Long Term Goals



- » Continue organizational change management inside Houston IT Services to extend the focus on service delivery and customer satisfaction;
- » Implement new service delivery processes that are documented, measurable and repeatable;
- » Significantly improve reliability and stability of email, networks, data centers, call centers, and telephony;
- » Improve IT Continuous Planning as part of the IT Governance Process for IT Investment & Prioritization;
- » Consolidate IT services for their improvement, while driving cost avoidance citywide, consolidating processes and facilities, adopting new technology, aggregating purchases across consolidated departments;
- » Consistently deliver innovative solutions to business requirements while minimizing operating expense;
- » Implement application rationalization to optimize the use of our citywide applications, enterprise resource planning tools, in a program called "SAP FIRST";
- » Improve application delivery by using Standard Enterprise Application Management practices (STEAM)
- » Develop Data Warehouse implementation plan for business decision making citywide.

FY15 Performance Measure Highlights



- » HITS /Call Center Abandonment Rate (I)
- » HITS Customer Service Calls Resolved within 5 Days (I)
- » HITS Customer Service First Contact Resolution (I)
- » HITS Customer Service Request/Incidents Received (I)
- » HITS Customer Service Responses (I)
- » HITS Customer Service Survey Responses Received (I)
- » Expenditures Budget vs. Actual Utilization (F)
- » Revenues Budget vs. Actual Utilization (F)

Note: The letter at the end of each measure represents the Mayor's Priorities
J: Jobs & Sustainable Development; P: Public Safety; I: Infrastructure; Q: Quality of Life; F: Fiscal Responsibility

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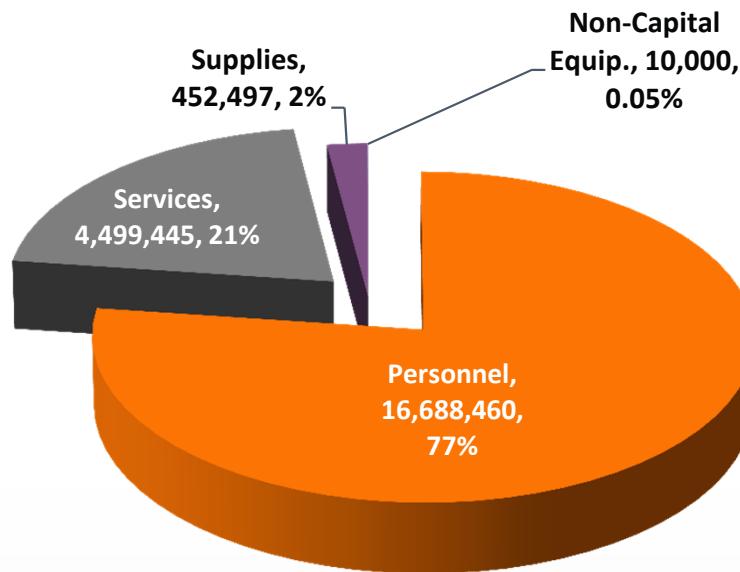


FUND 1000

Budget Comparison – Fund 1000

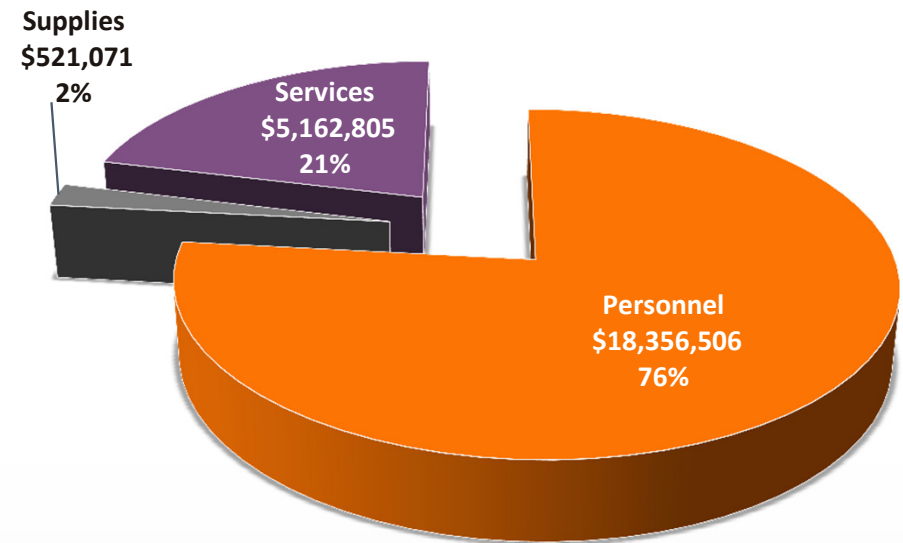


FY2014 Budget



\$21,650,402
158.2 FTEs

FY2015 Proposed



\$24,040,382
173.2 FTEs

Variance Highlights

- » Overall increase of 11.04%
- » Personnel Services: 10.0% ↑
- » Supplies: 15.15% ↑
- » Services: 14.74% ↑

Significant Changes – Fund 1000

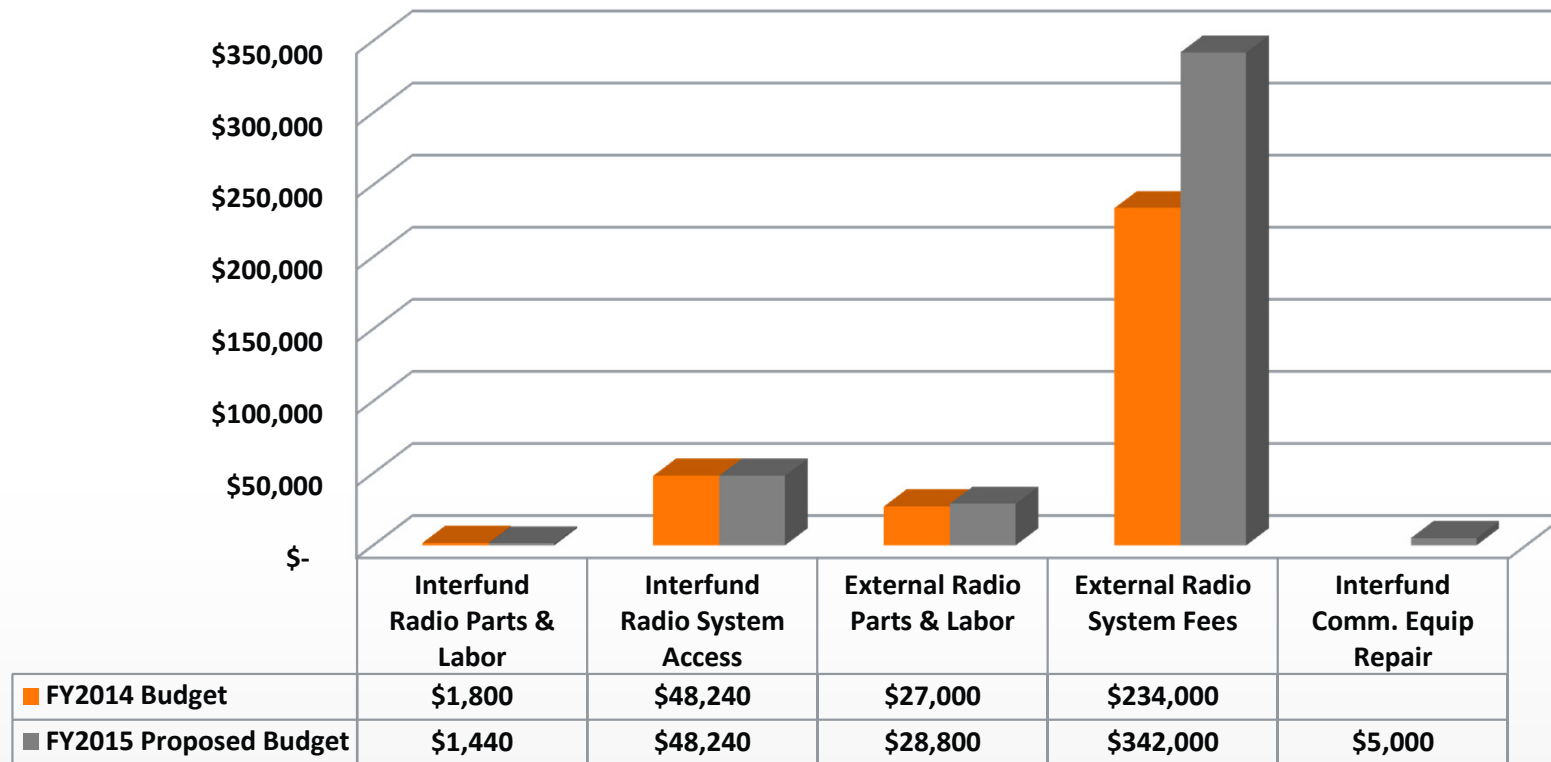


- » FY2015 Budget provides funding for health benefits, pension contributions and municipal employees' 3% pay increases

The increased cost in FY2015:

- » Funding for 5 FTEs via consolidations
 - » 1 FTE-Health
 - » 2 FTEs–ARA for Kronos support
 - » 2 FTEs – Planning & Development for GIS
- » 5 FTEs to support CSMART
 - » FTEs from Central Service Revolving Fund (1002)
- » The addition of 700MHz Radio System operating costs from the Project Fund (1001)

Revenues – Fund 1000



Variance Highlights

Revenues tracked for the first time in FY2014

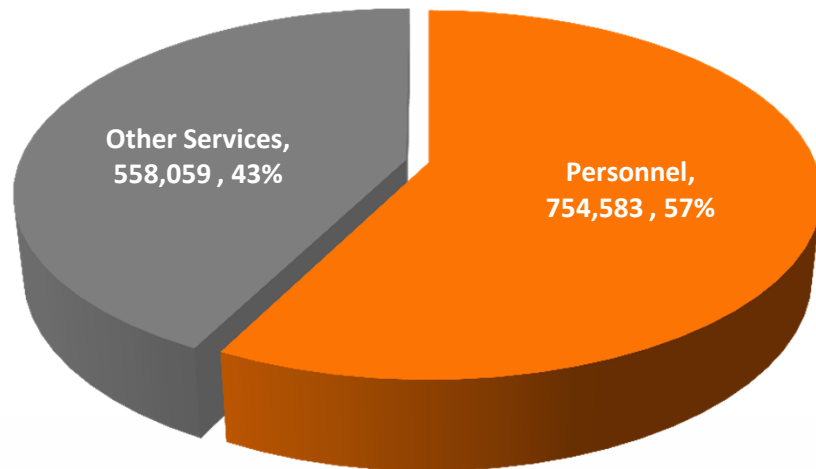


FUND 1001

Budget Comparison – Fund 1001



FY2014 Budget



\$1,312,642
6.6 FTEs

FY2015 Proposed

Projects Complete
(Radio, CSMART)

Variance Highlights

The Radio Project and CSMART projects are now operational.



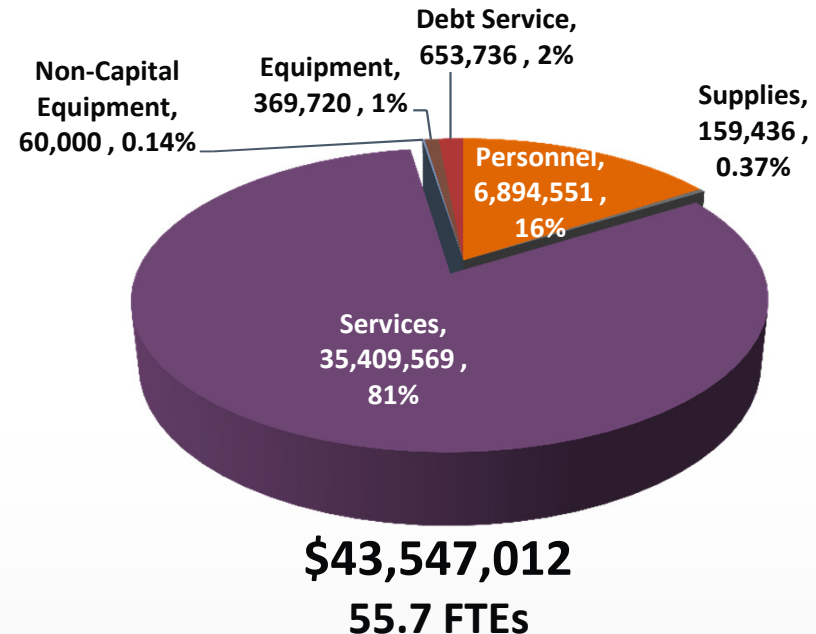
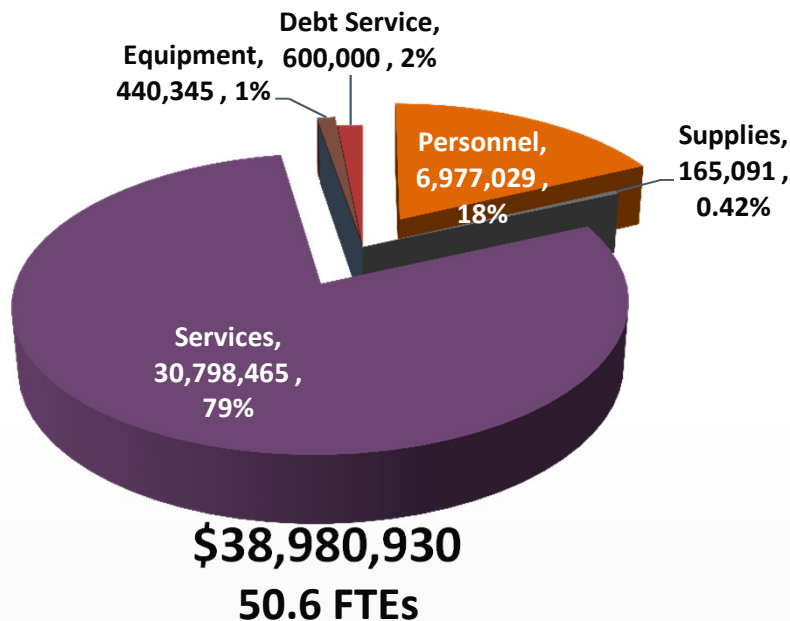
FUND 1002

Budget Comparison – Fund 1002



FY2014 Budget

FY2015 Proposed



Variance Highlights

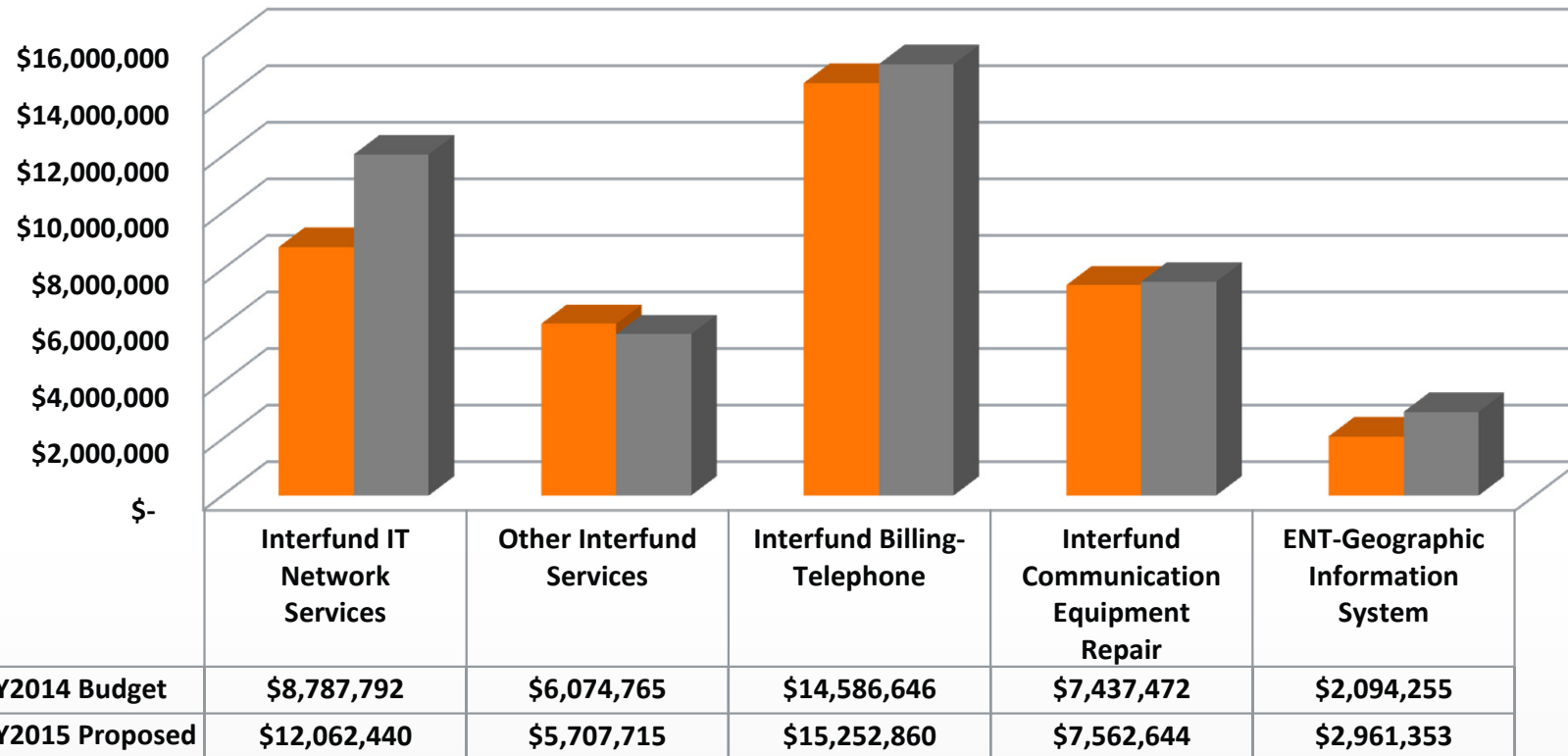
- » Overall increase of 11.71%
- » Personnel Services: 1.18% ↓
- » Supplies: 3.43% ↓
- » Services: 14.97% ↑
- » Equipment: 16.04% ↓
- » Debt Service: 8.96% ↑

Significant Changes – Fund 1002



- » FY2015 Budget provides funding for health benefits, pension contributions and municipal employees' 3% pay increases
- » The Increased Cost in FY2015 Budget Includes Support for:
 - 1 FTE to Support Fleet Department Applications
 - Finance Department's Support to HITS (Budget, SPD, A/P and Public Finance)
 - 1 FTE for the Chief Information Security Office
 - 1 FTE for the Project Management Office
 - EGIS Environmental Systems Research Institute Software
 - Planning Section of EGIS Transfer to HITS
 - E-Discovery Records Management Including Archiving, Governance and Compliance
 - Microsoft Enterprise License
 - ARA Kronos Support Transfer to HITS
 - Operational Cost for CSMART Including Lease and Software/Hardware Support Cost
 - ServiceNOW (Help Desk)

Revenues (Chargebacks) – Fund 1002



Variance Highlights

- » Overall increase of 11.71%
 - » Interfund IT Network Services: 37.26% ↑
 - » Other Interfund Services: 6.04% ↓
 - » Interfund Billing-Telephone: 4.57% ↑
 - » Interfund Communication Equipment Repair: 1.68% ↑
 - » ENT-Geographical Information System: 41.40% ↑